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DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Centers of Excellence and Expertise Test; Modifications

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice.

SUMMARY: This document modifies previous notices published by U.S. Customs and Border Protection (CBP) regarding its Centers of Excellence and Expertise (Centers) Test. Specifically, this document changes the scope of coverage for some of the Centers and the types of entries that will be processed by the Centers, waives an additional regulation for Center test participants, and clarifies the submission process for responses to Requests for Information and Notices of Action.

DATES: The effective date of this document is [INSERT DATE OF PUBLICATION OF THIS DOCUMENT IN THE **FEDERAL REGISTER**].

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SUPPLEMENTARY INFORMATION:

Background

U.S. Customs and Border Protection (CBP) published a **Federal Register** notice (77 FR 52048) on August 28, 2012, to announce a test broadening the ability of the Centers of Excellence and Expertise (Centers) to make decisions by waiving certain identified regulations to the extent to provide the Center Directors with the authority to make the decisions normally reserved for the Port Directors. The notice provided centralized decision-making authority to the: Electronics Center; Pharmaceutical, Health & Chemicals Center; Automotive & Aerospace Center; and Petroleum, Natural Gas & Minerals Center. The document defined the scope of the Centers so that interested test volunteers could determine which Center aligned with their business.

CBP published a second **Federal Register** notice (78 FR 20345) on April 4, 2013, to modify and expand the Centers test. The notice announced the following six new Centers: the Agriculture & Prepared Products Center; the Apparel, Footwear & Textiles Center; the Base Metals Center; the Consumer Products & Mass Merchandising Center; the Industrial & Manufacturing Materials Center; and the Machinery Center. The document defined the scope of the new Centers so that interested test volunteers could determine which Center aligned with their business.

This document makes modifications to CBP's Centers Test by changing the scope of coverage for some of the Centers, changing the types of entries that will be processed by the Centers, waiving an additional regulation for Center test participants, and clarifying the submission process for responses to Requests for Information and Notices of Action.

Unless specified in this document or in the Center Test Guidelines, which was recently renamed and will hereinafter be referred to as the "Centers of Excellence and Expertise Trade Process Document", all terms and conditions of the test and current CBP processes will remain unchanged.

I. Modification of the Scope of Coverage for Certain Centers

Following each Center description, this document specifically notes the modifications to the scope of coverage for the Center. CBP is modifying the scope of coverage previously published for the following Centers: Automotive & Aerospace; Base Metals; Consumer Products & Mass Merchandising; Industrial & Manufacturing Materials; Machinery; and Petroleum, Natural Gas & Minerals.

The scope of coverage for the following Centers remains unchanged: Agriculture & Prepared Products; Apparel, Footwear & Textiles; Electronics; and Pharmaceuticals, Health & Chemicals.

a. Automotive & Aerospace Center

Modification: This document adds heading 8511, HTSUS, to this Center. The heading was previously covered by the Machinery Center.

For inclusion in the Automotive & Aerospace Center, importers must be part of the automotive, aerospace, or other transportation equipment and related parts industries, with the highest percentage of their entries comprised of related merchandise. For purposes of this Center, the term “automotive” includes merchandise classified under headings 8701 through 8711, 8713, 8714, and 8716, HTSUS. For purposes of this Center, the term “aerospace” includes merchandise classified under headings 8801 through 8805, HTSUS. For purposes of this Center, the term “other transportation equipment and related parts” includes but is not limited to merchandise classified under headings 4011 through 4013, 8406 through 8412, 8511, 8512, 8601 through 8609, 8901 through 8908, HTSUS.

b. Base Metals Center

Modifications: This document removes heading 7414, HTSUS, from this Center because it does not exist in the 2014 HTSUS. This document also removes headings 7309 through 7311, HTSUS, from this Center and moves them to the Industrial & Manufacturing Materials Center. This document adds heading 7415, HTSUS, to this Center as it was inadvertently omitted in the Center test notice published in the **Federal Register** (see 78 FR 20345). This document adds headings 8307 through 8311, HTSUS, which were previously covered by the Machinery Center.

For inclusion in the Base Metals Center, importers must be part of the steel, steel mill products, ferrous and nonferrous metal, or similar industries, with the highest percentage of their entries comprised of related merchandise. For purposes of this Center, the term “base

metals” includes merchandise classified under headings 7201 through 7308, 7312 through 7318, 7320, 7322, 7324 through 7413, 7415, 7419 through 7614, 7616 through 8113, and 8307 through 8311 of the Harmonized Tariff Schedule of the United States (HTSUS).

c. Consumer Products & Mass Merchandising Center

Modifications: This document also removes heading 7013, HTSUS, and moves it to the Industrial & Manufacturing Materials Center. This document adds heading 9619, HTSUS, to this Center as it was inadvertently omitted in the Center test notice published in the **Federal Register** (see 78 FR 20345). This document also adds headings 8210 and 8539, HTSUS, which were previously covered by the Machinery Center.

For inclusion in the Consumer Products and Mass Merchandising Center, importers must be part of the household goods, consumer products, or similar industries, and or mass merchandisers of products typically sold for home use, with the highest percentage of their entries comprised of related merchandise. For purposes of this Center, the term “consumer products and mass merchandising” includes merchandise classified under headings 3303 through 3307, 3401, 3406, 3605, 3924, 3926, 4201, 4202, 4205, 4206, 4414, 4419, 4420, 4421, 4602, 4803, 4817, 4818, 4820, 4901 through 4911, 6601 through 6603, 6701 through 6704, 6911 through 6913, 7113 through 7118, 7319, 7321, 7323, 7418, 7615, 8210 through 8215, 8301, 8303 through 8306, 8469, 8470, 8508, 8509, 8510, 8513, 8516, 8539, 8712, 8715, 9001 through 9006, 9013, 9101 through 9114, 9201, 9202, 9205 through 9209, 9401, 9403 through 9405, 9503 through 9508, 9601 through 9619, and 9701 through 9706 of the HTSUS.

d. Industrial & Manufacturing Materials Center

Modifications: This document removes heading 4414, HTSUS, from this Center because it is already covered by the Consumer Products and Mass Merchandising Center. This document also removes heading 4815, HTSUS, from this Center because it does not exist in the 2014 HTSUS. This document adds headings 2501 through 2530, HTSUS, which were previously covered by the Petroleum, Natural Gas & Minerals Center. This document also adds heading 7013, HTSUS, which was previously covered by the Consumer Products and Mass Merchandising Center. This document also adds headings 7309 through 7311, HTSUS, which were previously covered by the Base Metals Center. This document also adds heading 9406, HTSUS, which was previously covered by the Machinery Center.

For inclusion in the Industrial & Manufacturing Materials Center, importers must be part of the plastics, polymers, rubber, leather, wood, paper, stone, glass, precious stones or precious metals, or similar industries, with the highest percentage of their entries comprised of related merchandise. For purposes of this Center, the term “industrial and manufacturing materials” includes merchandise classified under headings 2501 through 2530, 3901 through 3923, 3925, 4001 through 4010, 4016 through 4115, 4301, 4302, 4401 through 4413, 4415 through 4418, 4501 through 4601, 4701 through 4802, 4804 through 4814, 4816, 4819, 4821, 4822, 4823, 6801 through 6910, 6914 through 7011, 7013, 7014 through 7112, 7309 through 7311, and 9406 of the HTSUS.

e. Machinery Center

Modifications: This document removes heading 8485, HTSUS, from this Center because it does not exist in the 2014 HTSUS. This document removes headings 8210 and 8539,

HTSUS, and moves them to the Consumer Products & Mass Merchandising Center. This document removes headings 8307 through 8311, HTSUS, and moves them to the Base Metals Center. This document also removes heading 8511, HTSUS, and moves it to the Automotive & Aerospace Center. This document also removes heading 9406, HTSUS, and moves it to the Industrial & Manufacturing Materials Center.

For inclusion in the Machinery Center, importers must be part of the tools, machine tools, production equipment, instruments, or similar industries, with the highest percentage of their entries comprised of related merchandise. For purposes of this Center, the term “machinery” includes merchandise classified under headings 8201 through 8209, 8302, 8401 through 8405, 8413 through 8468, 8472, 8474 through 8484, 8486, 8487, 8505 through 8507, 8514, 8515, 9007, 9008, 9010, 9011, 9012, 9014 through 9017, 9020, 9023 through 9033, and 9301 through 9307 of the HTSUS.

f. Petroleum, Natural Gas & Minerals Center

Modifications: This document removes headings 2501 through 2530, HTSUS, and moves them to the Industrial & Manufacturing Materials Center. This document also adds heading 3826, HTSUS, to this Center as it was inadvertently omitted in the Center test notice published in the **Federal Register** (see 77 FR 52048).

For inclusion in the Petroleum, Natural Gas & Minerals Center, applicants must be part of the petroleum, natural gas, petroleum related, minerals, or mining industries, with the highest percentage of their entries comprised of related merchandise. For purposes of this Center, the terms “petroleum” and “natural gas” include merchandise classified under headings 2709

through 2713, HTSUS. For purposes of this Center, the term “petroleum related” includes merchandise classified under headings 2701, 2705, 2707, 2708, 2714, 2715, 2716, and 3826, HTSUS. For purposes of this Center, the term “minerals” or “mining” include merchandise classified under headings 2601 through 2621, 2702, 2703, 2704, and 2706, HTSUS.

II. Modification to the Types of Entries Processed by the Centers

In the previous Center test notices that were published in the **Federal Register** (see 77 FR 52048 and 78 FR 20345), CBP noted that all consumption entries filed before and during participation in the test, except for antidumping and countervailing duty entries, would be processed by the designated Center, regardless of the commodity listed on the entry line upon transition of processing as set forth in the Centers of Excellence and Expertise Trade Process Document.

This document changes that process in two ways. First, the Centers will now process additional entry types that were filed before and during participation in the test. Beginning on the date of publication of this notice, the Centers will process the following entry types that were filed by a test participant before and after the test participant joined the Center test:

- Consumption Entries: Free & Dutiable (Type 01);
- Consumption Entries: Appraisement (Type 04);
- Consumption Entries: Foreign Trade Zone (Type 06);
- Consumption Entries: Duty Deferral (Type 08);
- Informal Entries: Free & Dutiable (Type 11);
- Temporary Importation under Bond (TIB) (Type 23); and
- Trade Fair (Type 24).

CBP anticipates that the Centers will process the following entry types in the near future. CBP will publish the date on which the Centers will begin processing the following entry types in the Centers of Excellence and Expertise Trade Process Document:

- Consumption Entries: Quota/Visa (Type 02);
- Consumption Entries: Vessel Repair (Type 05);
- Consumption Entries: Quota/Visa and AD/CVD (Type 07);
- Consumption Entries: Reconciliation (Type 09);
- Informal Entries: Quota (Type 12);
- Warehouse Entries: Warehouse (Type 21);
- Warehouse Entries: Rewarehouse (Type 22);
- Permanent Exhibition (Type 25);
- Warehouse Withdrawal: For Consumption (Type 31);
- Warehouse Withdrawal: Quota/Visa (Type 32);
- Warehouse Withdrawal: Antidumping and Countervailing Duty (Type 34);
- Warehouse Withdrawal: Quota/Visa and Antidumping and Countervailing Duty (Type 38);
- Government Entries: Defense Contract Management Area Office (DCMAO) (Type 51); and
- Government Entries: Federal Agencies other than DCMAO (Type 52).

The Centers of Excellence and Expertise Trade Process Document is posted on the following website: http://cbp.gov/xp/cgov/trade/trade_transformation/industry_int/ .

The Centers will not process any entries related to Foreign-Trade Zone Admissions (Type 26) and Transportation Entries (Types 61, 62, and 63).

Second, CBP is modifying its approach regarding the processing of Consumption Entries: Antidumping and Countervailing Duty (Type 03). Specifically, antidumping and countervailing duty entries filed with CBP by a test participant, before the participant joined the Center test, will be processed by the port directors. All antidumping and countervailing duty entries filed during participation in the Center test will be processed by the Center directors.

III. Waiver of Additional Regulation for the Center Test

Currently, pursuant to the CBP regulations in title 19 of the Code of Federal Regulations (19 CFR), Port Directors have the authority to make decisions regarding merchandise imported and entered within the CBP ports of entry. In the General Notices published in the **Federal Register** (77 FR 52048 and 78 FR 20345) on August 28, 2012 and April 4, 2013, CBP stated that it was waiving certain regulations in title 19 of the CFR (19 CFR) to the extent to provide the Center Directors with the authority to make the decisions that were otherwise reserved for the Port Directors. This document also waives section 10.847(c) of title 19 of the CFR (19 CFR 10.847(c)) so as to allow test participants to submit their corrected claim for duty-free treatment under 19 CFR 10.847(a) to the Center where the claim was originally filed rather than with the CBP port.

Moreover, while it is not necessary to waive additional regulations to transfer to the Centers the CBP functions covered by Subpart O of Part 10, CBP notes that all CBP related functions associated with Subpart O of Part 10 will be handled by the Centers.

Any waiver of regulations made in this document or the previously published documents apply only to test participants.

IV. Submission of Responses to Requests for Information (CBP Form 28) and Notices of Action (CBP Form 29)

In the Center test notices that were published in the **Federal Register** (see 77 FR 52048 and 78 FR 20345), CBP noted that Center participants would be required to submit timely responses to Requests for Information (CBP Form 28) and Notices of Action (CBP Form 29) directly to the Center. This document seeks to clarify that the submissions of written responses to CBP Form 28 and CBP Form 29 must be sent electronically to the test participant's designated Center.

Date: March 5, 2014

Thomas S. Winkowski

Acting Commissioner
U.S. Customs and Border Protection

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